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April 22, 2013

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation - WC Docket Nos. 11-42, 09-197

Dear Ms. Dortch:

Telrite Corporation/Life Wireless would like to take this opportunity to clarify the record regarding the Commission's Lifeline program. Telrite is aware of the current criticism of the Lifeline program, including claims about its growth. However, that growth cannot be attributed solely to the availability of less expensive and more versatile wireless service offerings like those offered by Telrite and other wireless ETCs. While low-income Americans choose wireless over landlines at an even higher rate than other American consumers,¹ the availability of more affordable wireless service offerings accounts for only a part of the story.

Coupled with this positive development of more affordable and practical wireless service offerings for Lifeline eligible consumers is the stark reality that Lifeline has grown because the number of U.S. consumers eligible for Lifeline has grown in the 2008-2011 time period. Indeed, since 2008, participation in the Lifeline program has expanded by a similar amount to which the number of people in poverty in the United States has grown. Growth in Lifeline enrollments has failed to keep pace with the number of Americans eligible for the Supplemental Nutritional Assistance Program ("SNAP") and Medicaid. Between 2008 and

¹ According to the Centers for Disease Control, a majority of Americans living in poverty have only a cell phone and no wired telephone, and over 40 percent of children live in homes with only wireless phones. See Centers for Disease Control, "Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, January—June 2012," pp. 2-3 (rel. Dec. 20, 2012), available at <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201212.PDF> (reporting that 51.8 percent of adults living in poverty and 40.6 percent of all children live in households with only wireless telephones).

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2011, the number of Americans living in poverty increased by about 6.5 million.² The number of U.S. households participating in the Department of Agriculture's SNAP program increased by over 8 million³ and the number of Americans on Medicaid increased by 9 million⁴ during the same time period. (SNAP and Medicaid are the two primary programs used for Lifeline eligibility.) During the 2008-2011 time period the number of Lifeline subscribers increased by 7 million.⁵ Therefore, the increase in participation in these major income-based eligibility programs has substantially outpaced growth in Lifeline subscribership.

Moreover, while not insignificant, the less than \$2.2 billion spent in 2012 on Lifeline⁶ is dwarfed by the amounts spent on other programs to support low-income Americans. In 2012, \$74.6 billion was spent on SNAP⁷ and in 2011 \$407.7 billion was spent on Medicaid.⁸

² See U.S. Census Bureau "Income, Poverty, and Health Insurance Coverage in the United States: 2008," p. 13 (issued September 2009) (reporting that in 2008, 39.8 million people were living in poverty in the United States) and U.S. Census Bureau "Income, Poverty, and Health Insurance Coverage in the United States: 2008," p. 13 (issued September 2012) (reporting that in 2011, 46.2 million people were living in poverty in the United States).

³ See U.S. Department of Agriculture, Food and Nutrition Service, "SNAP Annual Household Participation – Average," available at <http://www.fns.usda.gov/pd/16SNAPpartHH.htm> (showing 12,727, 450 million participating households in 2008 and 21,072,113 million in 2011).

⁴ See Kaiser Commission on Medicaid Facts, "Medicaid and the Uninsured," Figure 1, available at <http://www.kff.org/medicaid/upload/8050-05.pdf>, (June 2012) (reporting 2008 Medicaid enrollment at 43.6 million and in 2011 at 52.6 million).

⁵ Universal Service Monitoring Report, CC Docket No. 98-202, Table 2.1 at p. 2-4 (2012) (reporting total Lifeline subscribers in 2008 at 6,732,000 and in 2011 at 13,749,000).

⁶ See 2012 USAC Annual Report, p. 37, available at http://www.usac.org/_res/documents/about/pdf/annual-reports/usac-annual-report-2012.pdf.

⁷ See U.S. Department of Agriculture, Food and Nutrition Service, "SNAP Annual Summary," available at <http://www.fns.usda.gov/pd/SNAPsummary.htm> (showing \$74.6 billion spent in 2012).

⁸ See Centers for Medicare and Medicaid Services, National Health Expenditures Highlights 2011, p. 2 and National Health Expenditure Tables, Table 3 (reporting a total of \$407 billion spent on Medicaid, with \$248 billion of that from federal funds and the remainder from state funds).

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In accordance with the Commission's rules, this letter is being filed electronically for inclusion in the public record of the above-referenced proceedings. Please feel free to contact the undersigned with any questions.

Respectfully submitted,



John J. Heitmann

cc: Kimberly Scardino
Alexander Minard
Jonathan Lechter
Michelle Schaefer